



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

**BOARD OF SUPERVISORS**

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October 8, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AGREEMENT WITH PUBLIC HEALTH FOUNDATION ENTERPRISES  
FOR INFLUENZA VACCINE REPURCHASE PROGRAM  
(All Districts) (3 Votes)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Delegate authority to the Director of Health Services, or his designee, to approve and sign a sole source agreement with Public Health Foundation Enterprises, Inc., (PHFE), contingent upon review and approval by County Counsel, in an amount not to exceed \$900,000, effective date of Board approval through December 31, 2004. Under the Agreement, PHFE will repurchase, on the County's behalf, excess influenza vaccine from medical providers, at cost, and will also provide recordkeeping and payment processing services.

**PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:**

In approving the recommended action, the Board is delegating authority to the Director of Health Services or his designee, to sign a new agreement with PHFE, to repurchase, on the County's behalf, influenza vaccine from medical providers, at cost.

**FISCAL IMPACT/FINANCING:**

The total maximum County obligation for the new Agreement with PHFE shall not exceed \$900,000, effective date of Board approval through December 31, 2004, all net County cost. The Department will find other savings in existing FY 2004-05 budget for supplies and services in Public Health to offset this. Because of the vaccine shortage problems, PHFE has agreed to repurchase vaccine for Department use, for an administrative fee not to exceed \$1,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On October 5, 2004, the Department learned that Chiron, one of the two major manufacturers of influenza (flu) vaccine for use in the United States was prevented from distributing its doses to the U.S. The result is that the amount available in the United States this flu season will be roughly half of what was expected. The Department's Public Health unit distributed 130,000 doses last year and expected to distribute 140,000 doses or more this year. The majority of the vaccine which Public Health distributes is acquired from the State Department of Health Services. The State ordered this year's vaccine from Chiron, so 108,000 adult doses which the Department had expected from the State, will not be received. To date, Public Health has 20,800 doses with the possibility of receiving an additional 26,000 doses.

Since hospitals, medical groups, physicians and pharmacies generally order adult vaccine from one manufacturer or the other, but not both, some providers have vaccine and others have none. The federal Centers for Disease Control and Prevention, the State and the County Health Officer are all recommending that providers give priority for the vaccine to those in CDC-designated risk groups. If providers who received their full order of the vaccine follow these recommendations, it is likely they will have excess vaccine.

DHS is asking providers to donate any excess vaccine which they may have to the Department, so that the Department may provide it to high-risk groups. However, if DHS is unable to obtain sufficient donations, we propose purchasing vaccine, at cost, from providers.

There may be a number of providers who are willing to give or sell small amounts of the vaccine to DHS. Thus, rather than have each individual provider register as a County vendor, a contract with an entity which can complete the paperwork and complete the transaction on behalf of the Department, will expedite the acquisition of vaccine. PHFE has offered to provide this service for a nominal administrative cost, not to exceed \$1000.

The recommended action is subject to County Counsel review and approval as to form.

Board approval of the recommended action will assist the Department in assuring that high-risk populations in the County are vaccinated against the flu.

Attachment A provides additional information.

CONTRACTING PROCESS:

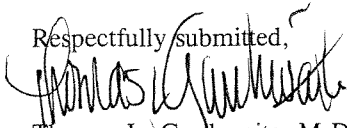
Because of the urgency of setting up a mechanism for purchases, this is a sole source contract, and was not advertised on the County's website.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Purchase of additional vaccine will assure that additional high-risk persons are vaccinated against flu this season.

When approved, the Department of Health Services requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:kh

Attachment

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

fluvaccinephfe.wpd

ATTACHMENT A

SUMMARY OF AGREEMENT

1. TYPE OF SERVICES:

Services include repurchasing, on the County's behalf, influenza vaccine from provider, at cost, as well as recordkeeping and processing payments.

2. AGENCY INFORMATION:

Public Health Foundation Enterprises, Inc.  
13200 Crossroads Parkway N, Suite 135  
City of Industry, California 91746

3. TERM OF AGREEMENT:

The new Agreement with PHFE will be effective date of Board approval through December 31, 2004.

4. FINANCIAL INFORMATION:

The total maximum County obligation for the Agreement with PHFE shall not exceed \$900,000, of which PHFE will charge a nominal administrative fee not to exceed \$1000, 100% from net County cost savings in the Department's FY 2004-05 budget.

5. GEOGRAPHIC AREA TO BE SERVED:

Countywide.

6. DESIGNATED ACCOUNTABLE FOR PROJECT MONITORING:

John F. Schunhoff, Ph.D., Chief of Operations

7. APPROVALS:

|                                       |   |
|---------------------------------------|---|
| Public Health:                        | John F. Schunhoff, Ph.D., Chief of Operations |
| Contract Administration:              | Irene E. Riley, Director                      |
| County Counsel (approval as to form): | Christina Salseda, Deputy County Counsel      |